

Message Text

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ACTION ACDA-10

INFO OCT-01 ISO-00 ERDA-05 AF-06 ARA-06 CIAE-00 DODE-00

EA-06 EUR-12 PM-03 H-02 INR-07 IO-10 L-03 NASA-01

NEA-10 NSAE-00 NSC-05 OIC-02 SP-02 PA-01 PRS-01

OES-03 SS-15 USIA-06 SAJ-01 NRC-05 /123 W

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FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 6114

INFO ERDA GERMANTOWN

AMEMBASSY ANKARA

AMEMBASSY BONN

AMCONSUL BRISBANE

AMEMBASSY CAIRO

USMISSION IAEA VIENNA

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY KUWAIT

AMEMBASSY LONDON

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AMCONSUL MELBOURNE

AMEMBASSY MOSCOW

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AMEMBASSY PARIS

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AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMCONSUL SYDNEY

AMEMBASSY TEHRAN

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S E C R E T SECTION 1 OF 2 CANBERRA 4456

EO 11652: GDS

TAGS: PARM, TECH, ENRG, AS

SUBJ: MULTINATIONAL NUCLEAR CENTERS: ASSESSMENT OF AUSTRALIAN
ATTITUDES TOWARD PLUTONIUM REPROCESSING

REF: (A) STATE 154049 NOTAL

(B) CANBERRA A-125 NOTAL

(C) CANBERRA 3450 NOTAL

(D) CANBERRA 3362 NOTAL

(E) CANBERRA 1618 NOTAL

(F) CANBERRA 0770 NOTAL

(G) CANGERRA 0535 NOTAL

(H) CANBERRA 0138 NOTAL

(I) CANBERRA 7198 NOTAL, 11/1/74

(J) CANBERRA 5638 NOTAL, 8/28/74

(K) CANBERRA 4649 NOTAL, 7/19/74

(L) CANBERRA 2627 NOTAL, 5/16/74

(M) CANBERRA 0317 NOTAL, 1/17/74

(N) CANBERRA 0174 NOTAL, 1/10/74

1. SUMMARY: TELEGRAM RESPONDS TO QUERIES (REF A) ABOUT AUSTRALIA'S SUITABILITY FOR CONSIDERATION AS SITE FOR POSSIBLE MULTINATIONAL NUCLEAR CENTER. EMBASSY BELIEVES THAT AUSTRALIA SHOULD BE CONSIDERED BECAUSE OF VARIOUS FACTORS. HOWEVER, AS IN OTHER COUNTRIES, EMOTIONAL SENSITIVITY TO POSSIBLE LOCAL STORAGE OF RADIOACTIVE WASTES WOULD POSE VERY SERIOUS PROBLEMS. END SUMMARY.

2. EMBASSY BELIEVES, IN RESPONSE TO REF A, THAT AUSTRALIA MERITS SERIOUS CONSIDERATION AS POSSIBLE SITE FOR A MULTINATIONAL NUCLEAR CENTER (MNC). AS DEPARTMENT WELL AWARE FROM EMBASSY'S VOLUMINOUS REPORTING ON THIS TOPIC OVER PAST THREE YEARS, PRESENT GOA IS KEENLY INTERESTED IN DEVELOPING ITS SUBSTANTIAL URANIUM RESERVES FOR MAXIMUM PERCEIVED ECONOMIC BENEFIT TO AUSTRALIA. CRUCIAL TO THESE PLANS WOULD BE LOCAL ENRICHMENT PRIOR TO EXPORT, WHICH HIGHLY NATIONALISTIC MINERALS AND ENERGY MINISTER R. F. X. CONNOR HAS CONSISTENTLY INSISTED WILL BE ACHIEVED THROUGH ESTABLISHMENT OF A WHOLLY AUSTRALIAN OWNED AND CONTROLLED ENRICHMENT PLANT INCORPORATING OVERSEAS CAPITAL
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AND TECHNOLOGY. NEITHER CONNOR NOR ANY OTHER AUTHORITATIVE GOA OFFICIAL HAS EVER EXPRESSED PUBLICLY ANY INTEREST IN CONSTRUCTING AUSTRALIA'S OWN PLUTONIUM REPROCESSING FACILITY OR IN GAINING ACCESS TO A FOREIGN FACILITY. HOWEVER, THIS UNDOUBTEDLY RESULTS FROM TWO MAIN FACTORS: (A) ON URANIUM MATTERS, GOA'S ATTENTIONS SO FAR HAVE BEEN WHOLLY ABSORBED IN POLITICALLY CONTROVERSIAL AND ECONOMICALLY COMPLEX PROBLEMS AT OTHER END OF NUCLEAR FUEL CYCLE, NAMELY WHEN AND HOW TO BEGIN DEVELOPMENT OF LOCAL URANIUM

RESERVES (REF I AND OTHERS) AND HOW TO ESTABLISH DOMESTIC ENRICHMENT FACILITY (REF L AND OTHERS); AND (B) SINCE INDEFINITE DEFERRAL IN 1972 OF CONSTRUCTION OF AUSTRALIA'S FIRST COMMERCIAL NUCLEAR POWER PLANT PLANNED EARLIER FOR JERVIS BAY BY PREVIOUS GOVERNMENT, PRESENT LABOR GOA HAS ASSUMED (NO DOUBT RIGHTLY) THAT NUCLEAR POWER AND ITS ATTENDANT PROBLEMS OF FUEL FABRICATION, REPROCESSING, WASTE STORAGE AND DISPOSAL, ETC., ARE TOO FAR IN FUTURE OF THIS COAL AND GAS-RICH NATION FOR IMMEDIATE CONCERN.

3. THERE HAS BEEN AT LEAST ONE PRIVATE OCCASION WHEN CONNOR, WHO REMAINS ALL-POWERFUL ON GOA URANIUM POLICY DESPITE HIS GROWING POLITICAL PROBLEMS, CONSIDERED POSSIBILITY OF LOCAL REPROCESSING PLANT. THIS OCCURRED DURING HIS PRIVATE SESSION WITH THEN-CONGRESSMAN AND JCAE-MINORITY LEADER CRAIG HOSMER IN JANUARY, 1974 (REFS M AND N). HOSMER SOUGHT UNSUCCESSFULLY TO DISSUADE CONNOR FROM HIS PLANS FOR LOCAL ENRICHMENT BY SUGGESTING THAT GOA EXPLOIT ITS URANIUM WEALTH THROUGH TYING ITS EXPORTS TO CONTRACTS FOR LOCAL REPROCESSING AND STORAGE OF RADIOACTIVE WASTES. CONNOR WAS, AS ALWAYS, DEEPLY SUSPICIOUS OF USG, WHICH HE BELIEVES SEEKS TO BLOCK AUSTRALIAN ENRICHMENT IN ORDER TO PRESERVE OUR OWN NEAR-MONOPOLY ON "FREE WORLD" ENRICHMENT, BUT HE REGISTERED INTEREST IN IDEA. HOWEVER, HE WENT ON TO DISMISS WASTE STORAGE POSSIBILITY WITH CONNORIAN CURTNESS: "AUSTRALIA IS NOT INTERESTED IN BECOMING A NUCLEAR RUBBISH PILE". WE HAVE NO FIRM EVIDENCE THAT THE ALWAYS SECRETIVE CONNOR HAS GIVEN FURTHER THOUGHT TO THESE POSSIBILITIES, BUT THIS IS HARDLY CONCLUSIVE. CONNOR HAS, HOWEVER, PUBLICLY EXPRESSED INTEREST IN BUILDING A LOCAL PLANT TO CONVERT YELLOWCAKE TO URANIUM HEXAFLUORIDE AS FEED FOR LOCAL ENRICHMENT PLANT.

4. EMBASSY NEVERTHELESS BELIEVES AUSTRALIA SHOULD BE VERY SERIOUSLY CONSIDERED AS SITE FOR AN MNC TO SERVE ASIAN-
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PACIFIC REGION. ITS MAIN ADVANTAGES ARE WELL-KNOWN: (A) PHYSICALLY, AUSTRALIA HAS VAST, UNPOPULATED AREAS AND A UNIQUELY STABLE GEOLOGY WHICH ARE IDEALLY SUITED TO LONG-TERM STORAGE OF RADIOACTIVE WASTES. (B) POLITICALLY, AUSTRALIA IS A STABLE DEMOCRACY AND U.S. ALLY, FIRMLY COMMITTED TO NPT, WHICH LABOR GOVERNMENT RATIFIED IN 1973. LABOR POLITICIANS HAVE OCCASIONALLY IN PAST ACCUSED PREVIOUS LIBERAL-COUNTRY PARTY GOA, WHICH LOST POWER IN 1972, OF SECRETLY SEEKING TO ACQUIRE NUCLEAR WEAPONS, EITHER BY GENERATING PLUTONIUM AT THE PROPOSED JERVIS BAY REACTOR OR BY OTHER MEANS. NSW BRANCH OF COUNTRY PARTY RECENTLY PASSED RESOLUTION (REF B) ADVOCATING ACQUISITION OF NUCLEAR WEAPONS. NEVERTHELESS, THERE IS NO PERSUASIVE REASON TO BELIEVE THAT A FUTURE LIBERAL-COUNTRY GOA WOULD TRY TO OBTAIN A NUCLEAR WEAPONS CAPABILITY. (C) INDUSTRIALLY, AUSTRALIA HAS REASONABLY WELL-DEVELOPED BASE FOR CONSTRUCTING AND OPERATING

A REPROCESSING FACILITY, ALTHOUGH ITS INDUSTRIAL SECTOR IS NOTABLY SMALLER AND LESS EFFICIENT THAN THOSE OF MAJOR POWERS SUCH AS US OR JAPAN. AUSTRALIA WOULD BE HIGHLY DEPENDENT UPON OVERSEAS TECHNOLOGY, CAPITAL, MANAGERIAL KNOW-HOW, ETC., IN SUCH AN AMBITIOUS VENTURE, BUT IT NEVERTHELESS IS ONE OF MOST INDUSTRIALLY ADVANCED NATIONS IN ASIA-PACIFIC REGION.

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5. MAIN NEGATIVE FACTOR WOULD BE, AS IT UNDOUBTEDLY WOULD BE IN OTHER NATIONS, THE EMOTIONAL SENSITIVITY OF PUBLIC AND POLITICIANS TO THE ESTABLISHMENT OF A LOCAL MNC. THIS WOULD BE PARTICULARLY TRUE IF THE PROPOSED CENTER INCORPORATED LOCAL STORAGE OF RADIOACTIVE WASTES AS WELL AS PLUTONIUM REPROCESSING, AS IT PRESUMABLY WOULD. ANY AUSTRALIAN POLITICIAN WOULD HAVE A VERY DIFFICULT TIME SELLING SUCH A PROPOSITION TO THE LOCAL ELECTORATE, EVEN THOUGH DISPASSIONATE, NON-AUSTRALIAN OBSERVERS MIGHT AGREE THAT THIS HUGE, LARGELY EMPTY CONTINENT MIGHT BE THE MOST LOGICAL SITE IN WORLD FOR SUCH A FACILITY. STRONG PUBLIC RESISTANCE TO LOCATING ANY "NUCLEAR RUBBISH PILE" HERE HAS OFTEN BEEN EVIDENCED BEFORE WHENEVER THE ISSUE HAS BEEN RAISED, AS IT UNFORTUNATELY WAS BY THE PRESS DURING THE HOSMER VISIT (REF M). HOWEVER, WE DOUBT THAT THESE SENTIMENTS WOULD BE NOTABLY MORE VOCIFEROUS HERE THAN IN ANY OTHER DEMOCRACY, PARTICULARLY SINCE THERE ARE SIGNIFICANT SCIENTIFIC RATIONALES FOR AN AUSTRALIAN SITE.

6. LESS CRUCIALLY BUT STILL SIGNIFICANTLY, THE PRESENT (AND MOST LIKELY ANY FUTURE) GOA WOULD UNDOUBTEDLY INSIST ON AUSTRALIAN GOVERNMENT CONTROL AND SUBSTANTIAL OWNERSHIP OF SUCH A FACILITY. THIS STANCE IS CLEARLY INDICATED BY EVOLVING LOCAL OPINION ON U.S. DEFENSE FACILITIES IN AUSTRALIA AND BY CHANGING ATTITUDES TOWARD FOREIGN PRIVATE INVESTMENT. HOWEVER, THIS WOULD NOT NECESSARILY PRECLUDE ARRANGEMENTS TO ALLOW MULTILATERAL PARTICIPATION IN A NUCLEAR CENTER.

7. ASSUMING EMOTIONAL ISSUES COULD BE SURMOUNTED (AN EASILY CHALLENGED ASSUMPTION), THE GOA'S MOTIVATION FOR ALLOWING SUCH A FACILITY MIGHT INCLUDE: (A) COMMERCIAL ADVANTAGE: ASIDE FROM LOCAL ENVIRONMENTAL EXTREMISTS WHO SEEK TO BAN ALL NON-MEDICAL USES OF AUSTRALIA'S URANIUM, THERE IS A BROAD CONSENSUS THAT AUSTRALIA SHOULD EXPLOIT THESE RICHES INTERNATIONALLY JUST AS IT DOES ITS OTHER VAST MINERAL RESOURCES. IF THE GOA WERE TO TIE URANIUM EXPORTS (WHETHER ENRICHED OR NATURAL) TO SUBSEQUENT LOCAL REPROCESSING AND STORAGE, AUSTRALIA WOULD ENJOY AN EXTREMELY STRONG COMPETITIVE ADVANTAGE OVER OTHER URANIUM EXPORTERS. (B) NON-PROLIFERATION: AS STATED ABOVE, LABOR AND OTHER PARTIES SEEM GENUINELY COMMITTED TO LIMITING THE SPREAD OF
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NUCLEAR WEAPONS. A LOCAL MULTINATIONAL FACILITY, FOR REASONS OUTLINED IN REF A, COULD CONTRIBUTE IMPORTANTLY TO THAT OBJECTIVE. (C) BROADER CONTRIBUTION TO GLOBAL WELFARE: PRIME MINISTER WHITLAM, WHO THINKS OF HIMSELF AS A COMPASSIONATE INTERNATIONALISTS, HAS OFTEN SPOKEN OF AUSTRALIA'S RESPONSIBILITY TO WORLD BECAUSE OF ITS GREAT RESOURCE (FOOD AS WELL AS MINERAL) ENDOWMENT. HE, AND PERHAPS FUTURE GOA LEADERS, MIGHT COME TO SEE AUSTRALIA'S ALMOST UNIQUE SUITABILITY FOR SUCH A FACILITY AS ALSO INVOLVING BROADER THAN NATIONAL RESPONSIBILITIES (PARTICULARLY IF IT ALSO SERVED THE NATION'S COMMERCIAL INTERESTS HANDSOMELY). IN A FUEL STARVED WORLD INCREASINGLY DEPENDENT UPON NUCLEAR POWER, AUSTRALIA MIGHT SEE ITSELF AS RENDERING A CRUCIAL INTERNATIONAL SERVICE, WHICH NO OTHER COUNTRY WOULD BE ABLE OR WILLING TO DO, BY ALLOWING LOCAL REPROCESSING AND STORAGE.

8. CONCLUSION: EMBASSY RECOMMENDS THAT, DESPITE OBVIOUS POLITICAL AND EMOTIONAL ISSUES, AUSTRALIA BE GIVEN SERIOUS CONSIDERATION AS SITE FOR MULTINATIONAL NUCLEAR CENTER.
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